

Press Release

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NORTH CAROLINA FAIR HOUSING CENTER SUPPORTS NATIONAL ANTI- PREDATORY LENDING BILL

THE NORTH CAROLINA FAIR HOUSING CENTER ANNOUNCES ITS SUPPORT OF HR 3974 THE "PROHIBIT PREDATORY LENDING ACT" SPONSORED BY NC CONGRESSMEN BRAD MILLER (D-13) AND MEL WATT (D-12).

"I am excited to endorse this excellent and well crafted legislation" announced Stella Adams, Executive Director of the NC Fair Housing Center. "This bill is an enhanced version of the NC Predatory Lending Law which has proven to be effective in curbing the most abusive practices while maintaining access to capital and credit to those with credit challenges."

On July 22, 1999 North Carolina passed the first Anti- predatory lending law in the country. Key features of that legislation included a provision prohibiting making a loan without consideration of a borrower's ability to repay; a provision

prohibiting "Loan Flipping"; a provision capping points and fees to 5% and no financing of single premium credit insurance. The NC Law also included a provision requiring counseling before the closing of a High Cost loan.

The Miller/Watt Bill enhances the North Carolina bill by including yield spreads in the points and fees trigger, by prohibiting unfair and deceptive practices by Mortgage brokers and creditors; and by prohibiting mandatory arbitration in high cost loans.

"The North Carolina Predatory Lending law has been effective in protecting the people of North Carolina and the enhancements found in this Bill sponsored by Congressmen Miller and Watt, will provide a basic financial safety net to all Americans. Further, I believe this is a Bill that can be supported by both advocates and industry and I urge swift passage of this vital legislation," stated Adams.

The North Carolina Fair Housing Center is statewide non-profit organization dedicated to the creation of equal housing opportunity and equal access to all citizens regardless of race, color, religion, national origin, handicap or familial status. The Center is funded in part by a grant from the U. S. Department of Housing and Urban Development and the Z. Smith Reynolds Foundation.